



Withholding Tax Electronic Funds Transfer

ACH Credit Method

Utah State Tax Commission

Electronic Funds Transfer Unit

210 North 1950 West
Salt Lake City, Utah 84134-3777
Phone: (801) 297-7626
Fax: (801) 297-7698
www.tax.utah.gov



If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811, or TDD (801) 297-2020. Please allow three working days for a response.

General Information

Electronic Funds Transfer (EFT) is a method of electronically transmitting tax return information and payments to the Tax Commission in lieu of paper-based documents. EFT is less costly than manual check processing, and is quick and convenient. It also allows the state to better manage incoming revenue.

Electronic transmission of these documents is considered legal and enforceable.

This publication explains how to remit withholding tax payments using the ACH Credit method.

NOTE: This method is **NOT** processed on the Internet through PaymentExpress.

Do not submit paper withholding tax return coupons when withholding tax payments are remitted electronically. The only time a paper return should be submitted is when there is a problem and the tax payment cannot be remitted electronically. An amended return, TC-96A, may not be filed electronically. Once the original EFT has been completed for a period, all other adjustments to that period must be made using paper coupons.

EFT may not be used to file the TC-96R, *Utah Annual Withholding Reconciliation*, or the TC-96RC, *Utah Annual Withholding Corrected Reconciliation*.

Annual reconciliation reporting is available using magnetic media and electronically through the Tax Commission website. Specifications and procedures are contained in Pub. 32, *Instructions for Annual Reporting of W-2, 1099R, and TC-675R Information*. The annual reconciliation is due by the last day of February following the end of the tax year.

Pre-authorization

Electronic transmission of Utah withholding information and payments is voluntary. However, you must apply to the Utah State Tax Commission in advance of participating in electronic remittance of state withholding tax. To request approval, complete and submit form TC-86, *Application to Remit Utah State Withholding Tax Payments*, included in this publication. A letter will be sent back to you to confirm acceptance into the EFT program.

Rules and Guidelines

All statutes and rules concerning Utah State withholding taxes for reporting periods and payment deadlines remain in effect and are not changed by these electronic funds transfer procedures.

Tax payments remitted electronically must arrive in the Tax Commission withholding bank account no later than the day the tax is due to avoid penalties. The banking industry's Automated Clearing House (ACH) system requires a minimum of one business day to operate, so EFT payments must be initiated at least one working day before the tax due date.

The authorized transfer will then be credited to the Tax Commission the next working day. Check with your bank for processing procedures.

Getting Started

The taxpayer must authorize his bank to originate an Automated Clearing House (ACH) with a CCD + Addendum and transfer of the withholding tax amount due by the payment due date. The bank may require a specific **Settlement Date** the money is actually paid to the Tax Commission. The electronically remitted tax payment will be deducted from the taxpayer's account and credited to the Tax Commission's withholding tax account on the **Settlement Date** specified by the taxpayer in the transfer authorization.

Tax payments remitted by EFT must conform to the addendum transfer format and content requirements included in this publication. By correctly following the addendum, the taxpayer's withholding account can be credited properly.

A valid monthly filing or quarterly filing **Tax Period End Date** must be used when coding field 7 of the addendum transfer format and content requirements. This will ensure payments are credited properly. Using the transmission date or the due date in this field will delay processing. Valid Tax Period End Dates are shown later in this publication.

Filing the First EFT

A pre-note (test transmission) is not required. However, if the taxpayer elects to send an EFT pre-note before the first payment is made, a **zero** amount should be sent. Sending an amount other than zero on a pre-note will create errors in the taxpayer's withholding account. The taxpayer should notify the Tax Commission in advance of the pre-note by calling (801) 297-7626 or 1-800-662-4335 ext. 7626.

It is recommended the taxpayer notify the Tax Commission in advance of the first EFT payment also. This will enable the Tax Commission to establish a preliminary payment record and track the EFT in case of a problem. This step is recommended only for the first time an electronic remittance is sent.

2006 Monthly EFT End Dates

Month	End Date on the Addendum	Due Date
January	060131	Feb. 28, 2006
February	060228	March 31, 2006
March	060331	May 1, 2006
April	060430	May 31, 2006
May	060531	June 30, 2006
June	060630	July 31, 2006
July	060731	Aug. 31, 2006
August	060831	Oct. 2, 2006
September	060930	Oct. 31, 2006
October	061031	Nov. 30, 2006
November	061130	Jan. 2, 2007
December	061231	Jan. 31, 2007

Addendum Transfer Format and Content

The EFT must be made payable as follows:

Credit To: **Utah State Tax Commission**
 Bank: **Wells Fargo Bank**
 Routing No: **1240-00012**
 Account No: **51-08007-25**

2006 Quarterly EFT End Dates

Quarter	End Date on the Addendum	Due Date
Jan. – March	060331	May 1, 2006
April – June	060630	July 31, 2006
July – Sept.	060930	Oct. 31, 2006
Oct. – Dec.	061231	Jan. 31, 2007

Addendum Record Format and Content

The transfer must conform to the Tax Payment (TXP) Banking Convention. The addendum record must be completed to include the fields as shown in this publication.

Field	Length	Contents	Description
1	3	TXP	Segment Identifier
2	1	*	Field Separator
3†	6	ANNNNN	Withholding account number (e.g. Y12345)
4	1	*	Field Separator
5	4	0110	Tax Type Code
6	1	*	Field Separator
7†	6	YYMMDD	Tax period end date (e.g. March 31, 2006 = 060331)
8	1	*	Field Separator
9	1	T	Amount Type Code
10	1	*	Field Separator
11†	2-10	\$\$\$\$\$ cc	Tax payment amount. Dollars and cents only. No decimals, commas, or leading zeros. Do not zero fill.
12	5	*****	Field Separator
13†	6	AAAAAA	Taxpayer ID verification. First six characters of the taxpayer's name. No common words, such as "the."
14	1	\	Segment Terminator

† Variable field provided by the taxpayer



Contact

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 (801) 297-7626
 1-800-662-4335, ext. 7626
dcampaigna@utah.gov

Forms Hotline:
 (801) 297-6700

Forms Online:
tax.utah.gov/forms



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**Application to Remit Utah State Withholding Tax Payments
Through Electronic Funds Transfer (EFT) ACH Credit**

TC-86

Rev. 7/05

Taxpayers choosing to remit Utah State withholding tax payments using EFT must agree to the terms and conditions set forth below. Complete and sign this application, and submit it to the Tax Commission at the address below.

Company Identification

Company name

Address

City

State

Zip

Utah withholding tax account number

Federal identification number

Contact person within the company

Contact person's title

Phone

Company Authorization and Agreement

The above named taxpayer elects to initiate tax payments to the Utah State Tax Commission using electronic funds transfer through the ACH Credit method. Funds will be electronically remitted from the taxpayer's bank account to the Tax Commission's bank account.

The Taxpayer will follow all procedures and will conform to the addendum transfer format and content as specified by the Tax Commission in Pub. 43. All statutes and rules for taxes in the State of Utah shall remain in effect.

The taxpayer may terminate this agreement by sending written notice to the Tax Commission's EFT Unit at least 10 days before taxes are due.

The signature of the taxpayer or authorized agent on this agreement shall be deemed to appear on each return/report transmitted by the taxpayer, as if actually so approving.

Authorized signature

Title

Date

To Request EFT Authorization...

- Fill out and sign the application form above.
- Mail to the address below or fax to (801) 297-7698

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